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C O N F I D E N T I A L SECTION 01 OF 04 BAGHDAD 004506

SIPDIS

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TAGS: [ASEC](#) [ECON](#) [ENRG](#) [EPET](#) [ETRD](#) [EWWT](#) [KCOR](#) [KCRM](#) [KHLS](#) [MCAP](#) [MOPS](#) [PGOV](#) [PINR](#) [PTER](#) [NATO](#)

SUBJECT: ACTIONS TO ASSURE CRITICAL INFRASTRUCTURE INTEGRITY

REF: SECSTATE 182688

Classified By: Ambassador Zalmay Khalilzad for reasons 1.4 (b) and (d)

1. (C/REL MCNI/IRAQ) SUMMARY: Failures of Iraq's critical energy infrastructure have reached unprecedented levels which are seriously hindering the Iraqi Transitional Government's (ITG) ability to raise desperately needed revenues and to deliver basic services such as electricity, fuel, and water to the Iraqi people. Post has initiated a multi-agency Critical Infrastructure Integrity Task Force that has developed an enhanced infrastructure integrity plan (exact details SEPTEL), based on the original plan submitted to Washington last summer. This cable describes the current status of Iraq's fragile infrastructure (REFTEL) and lays out the immediate steps we are taking in the context of this plan to fix the problem. END SUMMARY.

CURRENT SITUATION

2. (C/REL MCNI/IRAQ) Acts of sabotage against Iraq's oil and electricity infrastructure occur regularly. Many of these attacks are low-tech, fairly inexpensive to execute, and relatively easy to plan. They usually involve toppling electricity towers or piercing crude or refined product pipelines. Such attacks further weaken Iraq's already-fragile infrastructure systems. They also dampen public support for the ITG with continued electricity shortages and blackouts.

3. (C/REL MCNI/IRAQ) As of Oct 31:

- Refineries in Iraq are operating below capacity due to the effect of a series of blackouts (each lasting less than 12 hours) on Oct 14, 17 and 18, as well as interruptions in the supply of crude oil;

- The Oct 13 explosion at the al-Fathah crossing of the Tigris near Bayji forced the Ministry of Oil (MoO) to move an increasing amount of crude oil by truck in order to keep the refineries working. Security concerns by contractors at al-Fathah have resulted in a large number of them walking off from their jobs;

- The interdiction of the Kirkuk-Bayji crude oil line on Oct 20 and resulting fire halted pumping of crude oil across al-Fathah, cutting off the supply to Bayji refinery (previously operating at 88% capacity) and exports to Turkey for the second time in the past month; Bayji refinery is now out of fuel but is expected to become operational again in late November;

- Southern exports continue at a seasonally weather reduced rate. In October, an average of almost 1.6 million barrels were exported daily, with Basra refinery operating at 99% capacity. However, Basrah will soon shut down for 30-60 days because proper preventive maintenance has not been accomplished in past years and systems are now approaching criticality;

- Electricity supply to Baghdad fluctuates erratically (averaging between 7 to 13 hrs per day);

- Attacks on oil production not only reduce the revenues that today's high oil prices would generate, but also lead to increased product imports at world market prices to meet domestic demand for fuels.

IMMEDIATE ACTIONS

4. (C/REL MCNI/IRAQ) With the direct participation of MNC-I Deputy Commander MG Parker in our Task Force, Corps has demonstrated the priority it places on infrastructure security, following only fighting the insurgency and assuring safe and secure electoral processes. Five energy supply corridors must be protected to maximize the provision of essential services and revenue production. Our approach will be to execute the enhanced plan immediately and comprehensively in discrete geographic segments in the priority order below:

- ¶1. Kirkuk-Bayji pipeline
- ¶2. Musayyib-Salman Pak electric power corridor (new)
- ¶3. Bayji-Baghdad refined product and electric power corridor
- ¶4. Bayji-Turkey pipeline
- ¶5. Basrah's oil exports and internal distribution system

¶5. (C/REL MCNI/IRAQ) The Kirkuk-Bayji pipeline is the top priority for immediate execution of the plan for three reasons. First, securing significant additional oil exports from the Kirkuk fields is the fastest way to raise Iraq's revenues substantially. Second, considerable protective work has already been done in this region, to include training of the first five Security Infrastructure Battalions (SIBs). The projected training of 11 SIBs will be in three phases (five SIBs in Phase 1, four SIBs in Phase 2, and two SIBs in Phase 3). The ITG has allocated \$80 million for Phase 2 training and sustainment costs. Third, we expect to be able to complete this segment of the plan relatively rapidly, thus creating a tangible and successful model for the Iraqi government, military, and society to use as a template for the successive segments.

NEXT STEPS

¶6. (C/REL MCNI/IRAQ) The infrastructure protection plan includes seven operational aspects with timelines: Coordination; Security; Counter-Sabotage; MOI Capabilities; Rule of Law; Rapid Repair Response; Resiliency and Redundancy. The steps for the next nine months are:

COORDINATION

- Nov 05: Enhancing Iraqi interagency coordination at the provincial level, urging Ministry of Defense (MoD), Ministry of Interior (MoI), Ministry of Electricity (MoE), MoO participation in the Provincial Joint Coordination Cells (PJCC) in Kirkuk.
- Nov 05: A command post exercise on Nov 8 in Kirkuk to demonstrate the full and effective use of the PJCC.
- Nov 05: Address coordination requirements in Musayyib-Salman Pak energy corridor.
- Jan 06: Implement effective coordination system nationwide within existing resources.

SECURITY

- Nov 05: Enhance Kirkuk-Bayji corridor security.
 - Begin tribal engagement discussions.
 - Integrate new SIBs along the corridor.
 - Contingency plan to stockpile fuels for Baghdad to avert energy crisis in case a shortage occurs.
- Dec 05: Firmly establish infrastructure security within Iraqi Army C2 network with clear roles and responsibilities.
- Dec 05: Engage influential tribal leaders across this region to foster a better economic, social, and security environment, and to strike the appropriate balances in

establishing security solutions so that all principal tribes have a stake in the success of the process.

- Jan 06: SIB Phase 2 training (second tranche of 4 SIBs) completed.
- May 06: SIB Phase 3 training (third tranche of 2 SIBs) completed.
- Jul 06: MoD to complete construction of 72 guard towers in the Kirkuk to Bayji corridor.

COUNTER-SABOTAGE

- Mar 06: Demonstrate an effective intelligence gathering system.
- Mar 06: Iraqi Army offensive operations conducted through actionable intelligence.

MOI CAPABILITIES

- Dec 05: Automated data base implementation.
- Jan 06: Intelligence gathering systems developed.
- Jan 06: Assume law enforcement/criminal investigative capacity role.
- Mar 06: Increase police/investigator training in Jordan and locally.
- Mar 06: MOI under permanent Iraqi government begins counter-sabotage ops.

RULE OF LAW

- Jan 06: Legal systems begin to form from new constitution.
- Jan 06: Accountability systems devised in new ministries.
- Feb 06: First new DOJ courthouse (Karkh) complete.
- Mar 06: Functioning courts begin being established, followed by investigations, warrants, arrests and prosecutions.
- Apr 06: First prisons (Khan Bani Saad & Nasiriya) complete.

RAPID REPAIR RESPONSE

- Dec 05: MoO begins stockpiling of spare parts and establishes a budget to effect energy infrastructure repair and maintenance.
- Jan 06: MoO assumes Rapid Repair Response burden.
- Jan 06: CF role reduced, but CF continues support and mentorship.

RESILIENCE AND REDUNDANCY

- Jan 06: Revenue sources identified to fund maintenance and upgrade of energy infrastructure.
- Jan 06: Budget established to fund energy infrastructure.
- Feb 06: Training begins of managers to maintain infrastructure.
- Mar 06: Hardening completed along the al-Fathah crossing, including fences, walls and towers along vulnerable areas.

17. (C/REL MCNI/IRAQ) Once we initiate the implementation of this plan in the Kirkuk-Bayji corridor, we plan to move rapidly to replicate the effort in the Musayyib-Salman Pak corridor, adjusting for individual conditions extant in that region. We will continue down the list until all geographic regions are covered. While we are accomplishing this intensified plan in specific regions, we intend to maintain all of the current security efforts and infrastructure enhancement programs in the regions not yet touched by the plan.

----- BASRAH - THE CROWN JEWEL OF IRAQ'S ECONOMY -----

18. (C/REL MCNI/IRAQ) Without a doubt, Basrah's oil infrastructure is the crown jewel of the Iraqi economy. MND-SE is coordinating improvements to the security infrastructure, and although violence has not been directed at these facilities in a long time, they are still vulnerable and a priority for the Mission.

19. (C/REL MCNI/IRAQ) The lower frequency and intensity of infrastructure attacks in the South is likely due to the fact the Shia populace has vested economic as political interests in keeping oil exports flowing, and as well as the smaller physical extent of the region's infrastructure, compared to that of the central and northern Iraqi regions. The Shia in the Basrah region have an economic interest in keeping the oil flowing. Much of the violence in southern Iraq has revolved around Muqtada al-Sadr's Jaysh al-Mahdi (JAM), which has generally abided by cease-fires reached last year after its two uprisings. Although some JAM elements have conducted sporadic indirect fire attacks against CF, JAM probably has largely refrained from attacking the southern oil structure to avoid provoking a backlash from the Shia public and harming the Sadr Movement's potential political aspirations. The infrastructure attacks that have occurred in the Basrah area have been of lesser sophistication and less frequency compared to northern and central Iraq. We will, of course, continue to monitor very closely the situation in the Basrah province.

----- US-IRAQI STEERING GROUP -----

10. (C/REL MCNI/IRAQ) Beyond these immediate steps, we have created a steering group with the ITG to monitor the implementation of this action plan. The steering group, chaired by Deputy Prime Minister Chalabi, meets bi-weekly. Chalabi is joined by the Ministers of Oil, Electricity and Finance. For the Coalition side are the Political-Military Counselor, Deputy Commanding General of MNC-I, and the Director of Operations IRMO. In addition to the steering group, Chalabi chairs the National Energy Council, a ministerial-level group, whose meetings are attended by representatives from the Ministries of Oil, Electricity, Water Resources, Finance, Defense and Interior. Finally, the Ambassador, the DCM, and the Commanding Generals of MNF-I and MNC-I frequently meet with Chalabi and members of the Iraqi military to discuss infrastructure security and how to successfully address the problem.
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